



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

December 17, 2009

James Garrison, Treasurer
Teamsters Joint Council 42 Training Academy
1000 N. Central Avenue, Suite 400
Glendale, CA 91202

Dear Mr. Garrison:

RE: FINAL MONITORING VISIT REPORT for TEAMSTERS ACADEMY – ET08-0305

Date of the Visit:	12/17/09
Beginning/Ending Time:	9:00 a.m. – 12:30 p.m.
Date of Last Visit:	12/11/08
Visit Location:	Glendale
Persons in attendance:	James Garrison, Treasurer, Teamsters Academy Lori Brogin, Trust Administrator, PacFed Benefit Administrators Bernie Fleischer, Vice President, PacFed Benefit Administrators Margarita M. Paccereilli, Contract Analyst, ETP
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/31/07 - 12/30/09	Agreement Amount:	\$414,576
Training Start Date:	01/07/08	No. to Retain:	110
Date Training must be Completed:	07/30/09	Range of Hours:	Jobs 1, 2 & 4: 168 - 208 Job 3: 24 -178
Type of Trainee:	Retrainee	Weighted Ave. Hours:	Jobs 1, 2 & 4: 208 Job 3: 178

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

Training began on January 7, 2008, but the Agreement was not executed until February 8, 2008. Mr. Garrison reported that the last training date in this Agreement was on February 25, 2009.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

During the term of this Agreement, ETP approved the following modifications:

- Modification 1, approved on February 20, 2008, moved funds from Job 1 to Job 4 at a reduced ETP reimbursement rate to be used in combination with other funds. The Academy receives funds from other government sources to support the training program and transferring of funds to a new job group (4) is necessary to utilize those funds. This Modification also added soft skills courses to the Agreement curriculum in order to better prepare trainees for the job market, enhance their employability, and increase the likelihood of finding suitable employment at the end of training.
- Modification 2, approved on March 25, 2008, changed the minimum range from 168 to 40 hours. After the ETP training started, the Academy found that some New Hire trainees with prior driving experience do not require 168 training hours of commercial skills (truck driving). Prior driving experience allowed the Academy to place these trainees to accelerated programs with as little as 40 hours of commercial skills.
- Modification 3, approved on December 23, 2009, added an alternate retention period of 500 hours within 180 consecutive days for trainees in Jobs 1, 3 and 4. The Agreement requires that each trainee must be employed full-time for a 90-day retention period. However, you reported that a period of 500 hours within 180 days be allowed in this Agreement as this tends to be the normal employment schedule with some employers in this industry.

• FINAL PROJECT STATISTICS

Project Statistics Provided by the Contractor

JOB NUMBER	HOURS COMPLETED	ELIGIBLE REIMBURSEMENT TO DATE
1	2,587	\$48,169
2	0	0
3	992	\$19,086
4	13,331	\$164,237
TOTAL	16,910	\$231,492

This Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 40 and 208 class/lab training hours. There will be no reimbursement for any trainee who does not complete a minimum of 40 hours of training from the required curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 102 trainees in Jobs 1, 3, and 4 who met the minimum class/lab training hours. No trainees were enrolled in Job 2 due to difficulty in recruiting Welfare to Work trainees for this job group. Overall, the system shows that the Academy provided 16,910 training hours during the contract term, all of which are eligible for reimbursement. Based on the reimbursable hours, the Academy will receive approximately \$231,492 (56% of the Agreement amount) assuming all performance requirements are met, including the trainee's completion of the retention period.

Your staff was reminded that this Agreement will end on December 30, 2009. By the terms of the Agreement, the final contract closeout should have been completed within 30 days of the end term date of the Agreement. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on January 30, 2010.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

According to Mr. Garrison, the Academy Class "A" Driver Training Program was placed on hiatus in the March of 2009. The reason for this action was that participating employers had notified the Academy that they could no longer be accepting applicants for employment due to the current economy. This lack of employment opportunity would not enable the Academy graduates to achieve the retention required to receive reimbursement from ETP.

Prior to March 2009 hiatus, he stated that the Academy was achieving a 95%+ Class "A" license pass rate with employment outcome running at close to 90%. Graduates were able to obtain new employment with wages averaging in the \$20 per hour range and nearly all were receiving healthcare coverage.

RETENTION

According to Ms. Brogin, there were 62 trainees who have been placed for employment and currently awaiting employment information from 25 additional trainees. For the remaining trainees, Ms. Paccarelli was informed that there is difficulty in obtaining retention information because the trainees cannot be located or some employers would not provide their California Employer Account Number (CEAN) which is required in the submission of final payment. Ms. Paccarelli provided technical assistance on how to submit a special review on the Final Invoice in situations like this.

A request was also received by ETP to allow the Academy graduates to complete the retention period beyond the contract term. This request was approved by ETP as long as these trainees complete training and start their retention during the contract term. This is a one-time approval only and does not set precedence on other ETP contracts.

ATTENDANCE ROSTERS

The Analyst conducted a random sampling of six trainees who completed training. Records show that these trainees completed between 40 and 176 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed also confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

The Academy will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccarelli at (818) 755-1317 or by email at mpaccarelli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Wally Aguilar, Manager
North Hollywood Regional Office

Signature on file

Margarita M. Paccarelli, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Program Operations Division (via email)
Kulbir Mayall, Fiscal Manager (via email)
Master File
Project File

Date report mailed to Contractor 12/23/09